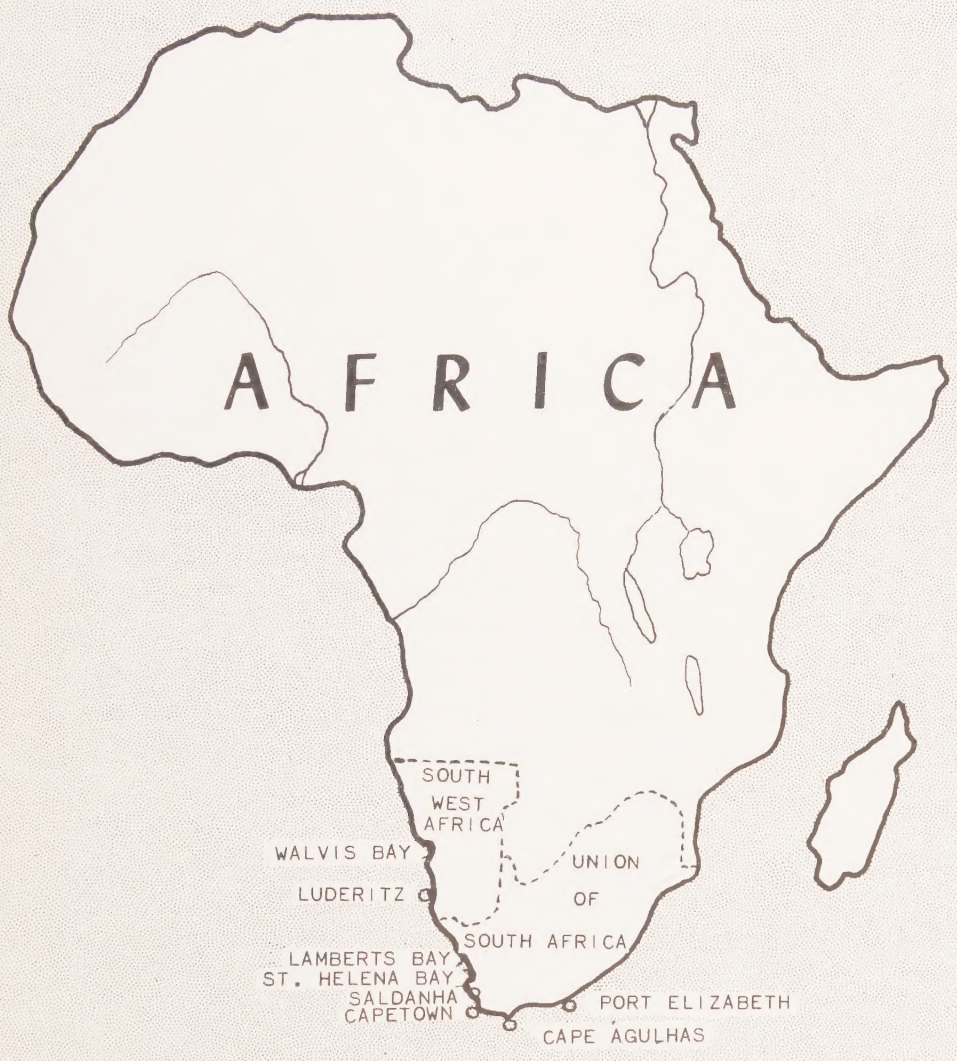
K361
.92F4
347

GROWTH OF SOUTH AFRICAN FISHERIES

LIBRARY
FISH & WILDLIFE SERVICE
PACIFIC OCEANIC FISHERY
INVESTIGATIONS



FISHERY LEAFLET 347

FISH AND WILDLIFE SERVICE

United States Department of the Interior

Digitized by the Internet Archive
in 2025

https://archive.org/details/fishery-leaflet_1949-06_347

United States Department of the Interior, J.A. Krug, Secretary
Fish and Wildlife Service, Albert M. Day, Director

Fishery Leaflet 347

Washington 25, D. C. June 1949

GROWTH OF SOUTH AFRICAN FISHERIES[1/]

By John C. Fuess, American Consul

Contents

	Page
Summary	1
Regrouping of Interests	2
Fisheries Development Corporation of South Africa, Ltd.	2
Lambert's Bay Canning Company Group	3
United Fishing Company Group	4
Large Independents	5
Small Independents	6
St. Helena and Ascension Islands Concessions	6
Growth of Fishing Industry	6
Increase of Catch	7
Availability of Fish	7
Area of Fishing Grounds	9
Conclusion	10

SUMMARY

The South African and South West African fishing industries today have a total capital investment and reserves of £5,315,000 ($21,260,000), having a current market value of £10,100,000 ($40,400,000), based on an approximate total annual catch with a wholesale value of £3,450,000 ($13,800,000). The prospects of the industry appear bright and recent jockeying for position has developed into two pending mergers (Lambert's Bay Canning Company, Ltd. group and United Fishing Company group) which, aside from a few independents, will control the inshore fisheries and the trawling interests, respectively. The quasi-official Fisheries Development Corporation of South Africa, Ltd. has been the stimulant behind these mergers.

The growth of the overall catch has been significant. Pilchards now outrank crayfish and stockfish as the principal catch and local firms are interested in developing a United States market for them.

1/ American Consulate Report No. 69, Capetown, South Africa, Oct. 8, 1948.

Generally, the South African and South West African fishing industries appear to have a bright future and continuance of the recent rapid rate of expansion is anticipated.

REGROUPING OF INTERESTS

There has been considerable activity in the South African (including South West African) fishing industry ever since it became apparent that the Californian fishing industry was declining; during the past two years the local industry has shown large potential profit possibilities. As a consequence, business interests have been forming, floating and merging companies in a flurry of activity considered by some businessmen to have been somewhat out of proportion to the actual production of fish and fish byproducts. Frequent speculative stock issues characterized this recent stage in the industry's development.

All of this activity has involved a considerable jockeying for position and in the past few weeks the outline has become clearer as to how the South African fishing interests may be expected to line up in the impending still more concentrated exploitation of the industry.

In order to obtain as clear a picture as possible of the most recent regrouping of the South African fishing interests, it may be of value to outline briefly the major elements involved:

1. The Lambert's Bay Canning Company Group
2. The United Fishing Company Group
3. Large Independents
4. Small Independent

Over all of these activities looms the Fisheries Development Corporation of South Africa, Ltd., which provides a major heading in itself.

Fisheries Development Corporation of South Africa, Ltd.:- The Fisheries Development Corporation, the industry's alternative to state control on the one hand and unregulated free enterprise on the other, was established under the Fishing Industries Development Act (No. 44 of 1944) as a public utility corporation with a capital of £1 million (about $4 million); its major purpose was to advise regarding the development of South African fishing harbors in conjunction with the South African Department of Commerce and Industries and the Railways and Harbors Administration, to assist private interests in developing the industry along orderly and rational lines, and to provide social improvements such as housing. Aside from such social services, its major contribution has been in consolidating and unifying the industry through such mergers as those discussed in this report.

The South African Government's Minister of Economic Affairs appoints the Directors of the Corporation and the Parliament must approve investments of funds. The Fisheries Development Corporation has in the past year been

advising regarding harbor improvements in the Cape Province as well as conducting experiments in oyster culture at Knysna and establishing a Fisheries Research Institute. Much progress has been made in extending housing and social facilities.

The "A" shares of the Corporation are used on a non-profit basis for social services; the "B" shares are invested in existing commercial fishing firms to obtain guiding but not absolute control. One or more representatives of the Fisheries Development Corporation sit on the Boards of such firms; the Corporation handles social services and gives advice in exchange for returns on its share holdings.

The Fisheries Development Corporation holds important financial interests in the following fishing companies:

Lambert's Bay Canning Co., Ltd.
Stephan Bros. (Pty) Ltd.
Ovenstone Holdings
South African Sea Products (Pty) Ltd.
Ocean Products (Pty), Ltd.
Laaiplek Fisheries, Ltd.
North Bay Canning Company
St. Helena Bay Fishing Industries, Ltd.
Southwest African Fishing Industries, Ltd.

Lambert's Bay Canning Company Group: - The first important regrouping now in process of completion covers mainly the inshore fishing firms and involves the financial absorption and control by the Lambert's Bay Canning Company, Ltd. of the above-mentioned companies in which the Fisheries Development Corporation holds an interest.

Lambert's Bay Canning Company, Ltd. operates a cannery and a reduction plant capable of treating 10 short tons of raw fish per hour at Lambert's Bay. Pending improvements are expected to bring a capacity of over 300 tons of pilchards a day for canning and the production of oil and meal. Potential existing capacity is 40 tons of meal and 5,000 gallons* of oil a day. In 1947 the company produced 2,750,000 lbs. of canned fish, mostly pilchards and mackerel. It controls the following subsidiary companies:

St. Helena Bay Fishing Industries, Ltd. operates a pilchard oil and meal reduction plant at Strompneus Bay with capacity of 10 tons per hour; 2 more plants are being erected, bringing total planned capacity to 25 tons per hour.

Northern Fisheries, Ltd. has fishing interests and concessions on Lake Tanganyika, East Africa. This is a small venture.

Tristan Exploratory Company has concessions in fishing grounds off the Island of Tristan de Cuhna; exploitation is just now starting.

* All gallons are British gallons.

It has shares, without control, in the following companies:

Irvin and Johnson (S.A.) Ltd.
Union Whaling Company, Ltd.
Vitamin Sales Corporation of S.A., Ltd.

South African Sea Products, Ltd. holds 80% of the South African crayfish export quota and thus controls 80% of the export of frozen crayfish, the chief market for which currently lies in the United States. The company operates a large modern crayfish freezing plant, and a vitamin oil extraction plant utilizing shark livers at Hout Bay. Its major subsidiary companies, resulting from a recent merger, are:

Stubbs Fisheries, Ltd.,handling fresh fish at Capetown
Trans-African Fisheries, Ltd., at Hout Bay
Hout Bay Canning Company (1920), Ltd.
Swerling and Levin, Ltd., dealing in smoked fish at Capetown
Duikersklip Fisheries, Ltd.
Trautman Bros.

Ocean Products (Pty) Ltd. has a shark liver oil plant at Gaansbaai and plans for a pilchard oil and reduction plant at both Saldanha Bay in the Cape Province and Walvis Bay in South West Africa.

South West African Fishing Industries, Ltd., which is called SWAFIL, operates through its subsidiaries a crayfish freezing plant, a crayfish cannery, a reduction plant, a smokery and a small fleet of fishing boats, all at Luderitz Bay, South West Africa; it was only recently formed to incorporate the following subsidiaries:

Table Mountain Canning Co., Ltd., conducting crawfish canning at Luderitz Bay
Angra Lobster Cannery (Pty) Ltd., at Luderitz Bay
Cape Lobster Canning Company, Ltd., at Luderitz Bay

West Coast Fishing Industries, Ltd. is a new firm which is a combination of Ocean Products (Pty) Ltd. and South West African Fishing Industries, Ltd., that is just now starting a pilchard cannery and reduction plant at Walvis Bay.

Ovenstone Holdings is interested primarily in crayfish canning at Port Nolleth in the Cape Province, but is presently expanding into pilchard canning and reduction--possibly also tuna canning at Walvis Bay.

The merger of the above six firms involves the assumption by the Lambert's Bay Canning Company of a majority interest in the remaining five. It is understood that each company will retain its present name and registration.

United Fishing Company Group: - The United Fishing Company is a holding company presently in formation to head the pending merger of a second major group of South African fishing interests, chiefly the trawling firms. The holding company is to comprise the following subsidiaries of two firms, Irvin and Johnson and the Standard Fruit Company:

1. Irvin and Johnson, Ltd. (the largest trawling company in South Africa).

Of the wide variety of subsidiaries held by Irvin and Johnson, Ltd. and listed below, only the first three are involved in this merger:

African In-shore Fishery, Ltd. - with a pilchard cannery at Velddrift north of Saldanha Bay.

Hickson's Cannery (Pty) Ltd.- operating a crayfish cannery at Port Nolloth.

John Quality - conducting a fish paste plant at Capetown

Vitamin Oils (Pty) Ltd. - operating a shark and hake (stockfish) liver oil plant at Capetown.

Kerguelen Sealing and Whaling Company, Ltd.

Concentra, Ltd. (part interest) with a fish meal plant at Capetown.

Practically all of the fresh fish outlets in the Union of South Africa.

2. Standard Fruit Company is primarily interested in canning of fruits and jams but it has also the following two fishing industries subsidiaries which have become party to the United Fish Company merger:

Luderitz Bay Canning Company operating a crawfish and pilchard and snoek canning at Luderitz Bay.

A sealing company in South West Africa not yet in operation.

While this second merger forming the United Fishing Company is of considerable importance to South African fishing industry, the influence of this group cannot be compared to that of the merger formed by the Lambert's Bay Canning Company, Ltd. previously discussed.

Large Independents:-

1. Federale Nywerhede, Beperk subsidiaries are:

Laaiplek Fisheries, Inc. which conducts canning of pilchards at the Berg River mouth and shark fishing at Kalk Bay, and has absorbed Marine Products, Ltd.

Marine Oil Refiners operating a vitamin concentration plant and fish oil refinery at Simonstown.

2. African Fish Canning Company has crayfish freezing and pilchard canning plants at Lambert's Bay and cans crayfish, snoek, etc., at Luderitz, South West Africa.

3. Atlantic Fisheries (Pty) Ltd. is just commencing operations on the west coast for the canning and reduction of pilchards and the processing of shark liver oil.

4. North Bay Canning Company is canning crayfish and pilchards at Saldanha Bay, Thorn Bay and Hondeklip Bay, all in the Cape Province. The activities of this company at Saldanha Bay have recently been taken over by a new firm, Southern Fisheries, Ltd., formed by the Netherlands trust, Unitas.

5. East Fisheries is the second largest trawling company in South Africa operating at Capetown and Walvis Bay.

6. An as yet unnamed company is being formed on an equal control basis by the Fisheries Development Corporation and Thyssen & Company at Knysna for oyster culturing.

Small Independents: - There is only one "small independent"--the Saldanha Bay Canning Company.

St. Helena and Ascension Islands Concessions: - As a further complication to the interrelationships of the various fishing companies in South Africa, it should be pointed out finally that the fishing ground concessions off St. Helena and Ascension Islands, held by a David Gin, are to be exploited by a new syndicate comprising:

East Fisheries (reference - Large Independents)

Ovenstone (reference - Lambert's Bay Canning Co. Group)

Marine Products Corporation (reference - Large Independents - Laaiplek Fisheries, Inc.)

Kuene Oil Refiners

Mr. David Gin

This venture is an ideal illustration of the lack of hesitancy of competitors in the South African fishing industry to combine where lack of capital, lack of facilities or other difficulties indicate that larger profits can be made by actual cooperation than by competition.

GROWTH OF FISHING INDUSTRY

What then are the profit potentialities which have led to the rather concentrated activity which has been discussed above? The answer lies in part in secure markets resulting from basic orders placed by the British Ministry of Food, in part in the considerable success achieved in marketing frozen crayfish tails in the United States, in part in improved processing methods whereby larger amounts of fish oil and meal are being extracted. But perhaps the most important reason is merely that success breeds growth. The development of South African fishing industry, based upon a wide availability of supply, has been considerably overdue and, as the efforts of one

small venture after another proved successful, more important financial interests began to enter the field and the development of the industry then proceeded apace:

Increase of Catch: -

Year	Catch	Landed Value	Vessels			Fishermen
			Trawlers	Sail & row boats	Motor	
	lbs.	U.S.$				
1890	11,000,000	222,750	-	-	-	-
1900	20,000,000	405,000	7	361	-	1,800
1934	45,000,000	1,296,000	17	1134	307	6,000
1947	200,000,000	10,125,000	30 steam 7 motor	238 1243 dinghies	699 2*	5,000

* 2 steam line boats.

The preceding figures are from the Fisheries Development Corporation of South Africa, Ltd. The figures are approximate, the lack of exact statistics being one of the greatest handicaps faced by the industry.

Availability of Fish: - The following table furnished by the Fisheries Development Corporation shows the types of fish caught in South African waters in order of their importance to the industry. While the figures given are approximate, they are the best possible estimate obtainable at the present time (1948).

The most significant development in the relative importance of various types of fish is shown in the tremendous increase in the volume of pilchards caught during the past three or four years. Before the war, pilchards were almost completely ignored in South Africa, only a small quantity being caught each year for use as bait, whereas today the rate of annual catch is already 100,000,000 lbs. (50,000 tons) for canning and processing. Ten plants have been established along the west coast of South Africa during the past four years for the conversion of pilchards into oil and meal. Eight of these plants are situated in the St. Helena Bay area and two at Walvis Bay. The erection of the buildings and the installation of the machinery is not yet complete at some of them; but, when all are working at full capacity, they will deal with about 100,000 tons of pilchards annually. At present, existing plants are turning out approximately 5,000 tons of meal and 250,000 gallons of oil per annum. In addition to these plants, there are a number of canning plants that currently handle approximately 2,500 tons of pilchards annually. The Fisheries Development Corporation forecasts that projected developments are likely to triple and quadruple the current annual volume of 50,000 tons in the not too-distant future. It may be noted that according to South African scientists the local pilchard is identical with the Californian pilchard, although it has a definite specific name (Sardina Caerulae).

Species		Annual Catch	Approximate Value
Common Name	Scientific Name		
		lbs.	U.S.$
Pilchard	Sardina sagax	100,000,000	2,025,000
Stockfish	Merluccius capensis	45,000,000	2,038,000
Crayfish	Jasus lalandii	25,000,000	2,917,000
Snoek	Thyrsites atun	20,000,000	2,025,000
Maasbanker	Trachurus trachurus	15,000,000	365,000
Soupfin shark	Galeorhinus canis	5,500,000	1,215,000
Soles	Austroglossus pectoralis and A. microlepis	5,000,000	760,000
Panga	Pterogymnus laniarius	5,000,000	253,000
Kabeljou	Sciaena hololepidota	4,500,000	445,600
Geelbek	Atractoscion aequidens	3,000,000	202,500
Silverfish	Polysteganus argyrozona	2,500,000	162,000
Harder	Mugil capito	2,500,000	71,000
Kingklip	Genypterus capensis	2,000,000	202,500
Yellowtail	Seriola lalandii	750,000	91,000
Mackerel	Scomber colias	750,000	18,000
Hottentot	Pachymetopon blochi	500,000	35,400
Steenbras	Petrus rupestris	450,000	32,400
White stumpnose	Austrosparus globiceps	400,000	34,400
Elf	Pomatomus saltator	300,000	18,000
Jacopever	Sebastichthys capensis	250,000	16,200
John Dory	Zeus capensis	200,000	16,200
Red Stumpnose	Chrysoblephus gibbiceps	150,000	14,200
Steentjie	Spondyliosoma emarginatum	150,000	6,000
Bonito	Sarda sarda	125,000	6,000
Red Roman	Chrysoblephus laticeps	75,000	5,000
Total		209,100,000	12,974,400

One problem in dealing with pilchards has not yet been solved locally--the wastage of scales. For at the present time approximately 500,000 lbs. of scales are thrown away each year.

The second most important fish in South Africa is the stockfish, the catch of which has grown from approximately 10,000,000 lbs. in 1932 to 45,000,000 lbs. in 1947. The great bulk of the stockfish catch comes from trawling grounds known as the "West Ground", approximately 40 miles to the west and northwest of Capetown covering an area about 30 miles long and 10 miles wide between the 100 fathom and 200 fathom lines. The fishing on the "West Ground" has doubled in intensity during the past year but there are extensive grounds further to the north that have thus far not been exploited at all.

Stockfish livers currently form the chief source of vitamin oil in South Africa, the livers showing a maximum percentage of oil from April to June and a minimum from October to November. 1,835,627 lbs. of livers were landed by trawlers in 1947. Since the average oil content of the livers is

about 30 percent, the yield is estimated at 550,688 lbs. of oil or 59,000 British gallons. It may be noted that the amount of oil extract from shark's livers in South Africa is estimated at 43,000 gallons in 1947.

The crayfish (spiny lobster), third in volume of fish caught in South African waters, is perhaps of most importance to the United States, which has been the major market (over 90 percent of South African crayfish since 1941). Under conservation regulations there is a legal limit or quota of 6,000,000 lbs. of crayfish tails which may be canned or frozen annually for export. The Fisheries Development Corporation estimates that the tail of the South African crayfish is on the average 1/3 of the total weight, which means that the 6,000,000 lbs. export quota involves a total catch for export of 18,000,000 lbs. of crayfish. A further 2,000,000 lbs. of crayfish caught for the local market thus brings the gross annual catch in South African waters to 20,000,000 lbs., the remaining 5,000,000 lbs. being caught off the shores of South West Africa.

The South West African crayfish grounds are being developed rapidly. They lie for 45 miles along the coast to the north of Luderitz Bay from 5 to 25 fathoms. Four canneries at Luderitz today produce 100,000 24 lb. cartons annually at a value of about £250,000 ($1 million) and 1,600 tons of offal valued at £25,000 ($100,000). A fifth cannery as well as cold storage plants and a fish oil plant are being erected. All these plants are also handling snoek, although on a smaller scale.

There are currently established by official edict six sanctuaries where the catch of crayfish is prevented--four in the Cape Peninsula area, one at Saldanha Bay and another at St. Helena Bay. There are also conservation regulations forbidding the taking of soft-shell specimens of females "in berry", and of crayfish with a carapace-length of less than 3-1/2 inches. The growth of the crayfish industry may be seen in the increase in annual catch from 15,000,000 lbs. in 1932 to 25,000,000 lbs. in 1947 and the growth of exports of canned and frozen tails from 3,566,000 lbs. in 1924 to 6,000,000 lbs. in 1947.

An agreement has recently been concluded among local exporters of crayfish tails whereby this commodity will be sold through one channel and exportation to the United States directed to a single organization, the gross return being pooled and averaged among exporters. The Fishing Industry Research Institute has agreed to undertake inspection of frozen crayfish tails prior to export.

Area of Fishing Grounds: - The present area of South African fishing grounds is estimated by scientists of the Fisheries Development Corporation to be 150,000 square miles. More than four-fifths of the South African fishing industry is based on the west coast between Capetown and Walvis Bay. In the cold waters off of this coast are located the pilchard, stockfish, snoek, maasbanker, larder and crayfish. Trawling grounds exist along the coast between the 13 fathom and 300 fathom lines.

The only proven fishing grounds along the south coast of the Union are on the Agulhas Bank stretching from Cape Agulhas to Port Elizabeth. The trawling grounds along this bank are somewhat patchy and broken up by rocky and coral bottom but they are rich in fish, particularly sole.

CONCLUSION

The fishing industry in the Union of South Africa is developing very rapidly today and the development on the whole seems to be sound and healthy in spite of the considerable share speculation which accompanied the early stage of development. Certainly the supply of fish has scarcely been touched and the existence of the Fisheries Development Corporation seems to augur proper methods of conservation control. The influx of sufficient capital into the industry in the past few years has enabled the erection of processing plants which have hitherto been the main bottleneck to expansion. Consequently, it may be stated that the only basic limiting factor on the further rapid development of the South African fishing industry appears to lie in the lack of fresh water along the west coast that at the moment places a ceiling over the volume at which fish processing plants may operate. Consideration is being given today to the possibility of erecting large condensing plants at strategic points, although this development seems to be for the most distant future.

60344